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**Administrative, financial and institutional matters**
**Continuous review of the functions and operations of the secretariat**

# Update on annual report preparation

## Note by the secretariat

*Summary*

This document summarizes issues raised by Parties in relation to the first ever annual report on the secretariat's activities in 2017, which included programme delivery highlights and summary financial performance data. The annual report was made available by the secretariat before the first part of the forty-eighth session of the Subsidiary Body for Implementation, held in April and May 2018. It proposes suggestions for enhancements to future annual reports in response to the issues raised by Parties.

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# I. Background

1. In a note to the Subsidiary Body for Implementation (SBI) at its forty-fifth session, the secretariat presented possible ways to increase the efficiency and transparency of the budget process and enhance the budget documentation. They included preparing and publishing annual reports, providing succinct information on the secretariat's activities in the preceding year and presenting programme delivery highlights and financial performance to facilitate the understanding of a broad range of stakeholders and interested observers with regard to what the secretariat is delivering and the challenges it is facing. The note further stated that annual reports would contribute to improved outreach and provide the public, the media and non-governmental organizations with information on the UNFCCC process, and that introducing them would enhance the overall transparency of the secretariat and the UNFCCC process and provide additional performance and financial information to Parties.[1]

2. On the basis of that proposal, the Conference of the Parties (COP), at its twenty-third session, requested the secretariat to prepare and make available an annual report as outlined in document FCCC/SBI/2016/INF.14, paragraph 37, to be considered at each session of the SBI following the closure of the preceding financial year, providing information on the secretariat's activities in the preceding year, programme delivery highlights and financial performance.[2]

3. In response to this mandate, the secretariat produced the first annual report - for the year 2017 – and made it available at SBI 48.1, held in April and May 2018. A web version of the report has subsequently also been made available.[3]

4. SBI 48.1 took note of the 2017 annual report and noted that while the report attempted to respond to the mandate contained in decision 21/CP.23, paragraph 18, future reports require enhancements, to be considered at SBI 49.[4]

# II. Possible action by the Subsidiary Body for Implementation

5. The SBI is invited to consider the enhancements to the annual report proposed in this note with a view to providing guidance to the secretariat on this matter.

# III. Issues raised by Parties

6. Issues with the annual report raised by Parties at SBI 48.1 included the terminology used in relation to the UNFCCC and the secretariat, the scope of the report, the level of detail of financial information provided on pages 48 and 49 and the timing of the report.

7. In relation to the terminology used in the annual report, the secretariat clarified that "United Nations Framework Convention on Climate Change", abbreviated as "UNFCCC", remains the official name of the Convention, which is used in official documents prepared for or emanating from UNFCCC governing and subsidiary bodies and in legal instruments. In the annual report, the secretariat had sought ways to refer to the UNFCCC and its secretariat in a more succinct manner, in particular for the purpose of communicating to the broader public. In this context, the terms "United Nations Climate Change" and "UN Climate Change" were used as shorthand forms to make the report easier to read and understand and did not represent a change in the official name of the Convention.

8. Regarding the scope of the annual report, concerns were raised that the report could be perceived to include efforts of the United Nations beyond the activities of the secretariat and the UNFCCC process. The secretariat clarified that the annual report was intended to

[1] FCCC/SBI/2016/INF.14, paragraph 37.
[2] Decision 21/CP.23, paragraph 18.
[3] https://unfccc.int/resource/annualreport/.
[4] FCCC/SBI/2018/9, paragraph 151.

provide an overview of the secretariat activities and programme delivery highlights as well as to highlight activities conducted within the UNFCCC institutional framework. As such, the report was part of an effort to improve outreach and provide the public, media and non-governmental organizations with easily understandable information on progress and achievements made within that framework.

9. Party comments on the financial information presented had to do with the clarity and detail of the presented data. Suggestions were made to include additional data, for example on secretariat staffing, as well as key financial data that would help the audience assess performance against the financial resources allocated.

10. The secretariat expressed its appreciation for the feedback received and agreed to consider possible enhancements to future reports.

## IV. Proposed enhancements to the annual report

11. On the basis of the feedback received from the Parties at SBI 48.1, the secretariat is planning to introduce the following enhancements to annual reports:

(a) The annual report will include the following enhancements in relation to terminology:

(i) On its cover and back pages, the report will display the official name "United Nations Framework Convention on Climate Change" in conjunction with the official UNFCCC logo;

(ii) To allow for effective communication to a broad audience, including the general public, the title of the report will continue to be "UN Climate Change Annual Report [year]";

(iii) Relevant terms used in the annual report will be clearly explained at the front and the back of the report to ensure clarity;

(b) The introductory section of the annual report will include a note that the scope of the report encompasses key achievements within the UNFCCC institutional framework and the performance of the secretariat;

(c) The financial information provided will include additional key financial data, bearing in mind that the annual report is intended not for a technical audience but rather for a broader group of stakeholders and interested observers, and that it is not intended to replace the secretariat's official reports on income and budget performance;

(d) The report will be made available in a timely manner before the first sessions of the subsidiary bodies each year.